

CFDF Corporation

Minutes of Meeting

Tuesday, March 27, 2006 at 6:00 pm

I. Call to Order: Meeting was called to order at 6:00 pm

II. Roll Call: Present were Maurice Brousseau, Casey Andrade, Augie O'Connor, Al Romanowicz and Gene Racquier. Also present were Wayne Salisbury, Chris Orton and Tony Ventetuolo.

III. Secretary's Report: On a motion by Maurice Brousseau seconded by Augie O'Connor the Board voted 5-0 to accept the minutes of the February 28, 2006 Board meeting.

IV. Treasurer's Report: On a motion by Maurice Brousseau seconded by Gene Racquier the Board voted 5-0 to accept the financial report for the period ending February 28, 2006.

V. Executive Session: On a motion by Augie O'Connor seconded by Casey Andrade the Board voted 5-0 to go into Executive Session at 6:05 pm to discuss facility security issues under RIGL 42-46-5(a)3 and legal issues. The Board came out of Executive Session at 6:35 pm. The Board voted 5-0 to close the minutes of the executive session.

VI. Old Business:

a. Project Banking: The IXIS Funding report for the period of 02/01/06 through 02/28/06 was presented to the Board.

b. Bank of America Account: Mr. Ventetuolo reported that a balance of approximately \$121,000.00 is in the Bank of America account and at the next meeting more specific bank statements will be provided to the Board.

c. Expansion Project Status:

1. Levien-Rich observation report #8 was presented to the Board.

2. OAS 2/23/06 Project Report was presented to the Board.

3. The current balance of the contingency account was also discussed, with particular emphasis on the potential cost of soil remediation.

4. A letter from the Central Falls Building Official was presented to the Board. This letter was sought in an effort to make sure that all proper third party testing and inspection on the project has been completed and will be completed to the satisfaction of the building official in order to obtain a certificate of occupancy from the City.

5. Mr. Ventetuolo discussed the issues surrounding the status of the first batch of pre-cast cells that were delivered to the facility. Included were copies of emails from Tony Ventetuolo to Eric Ahlborg and a subsequent letter from Eric Ahlborg to Old Castle regarding the poor quality of the cells that were delivered. It was discussed that the outside blotching of the cells as well as some faulty workmanship on

window caulking, paint, honeycombing in the concrete and blemishes in the actual exterior of the concrete was of concern to AVCORR. As such AVCORR has developed a pre-cast cell inspection process where AVCORR site supervisors will be at the plant prior to the units being sent to the Wyatt for erection. A copy of the inspection check off form was presented to the Board. Also of concern is the potential for the paint in the inside of the cell being applied before the concrete is properly cured, which could cause paint problems in the future. Accordingly, AVCORR has requested that Old Castle provide the painting specs from the paint manufacturer to determine whether or not the process they use is adequate and covers the warranty period for the paint.

6. An attached application was presented to the Board members relative to an easement for utilities to be granted by the National Grid Company.

7. Minutes (#0019) of the owners meeting were presented to the Board.

c. Soils Issue: Mr. Ventetuolo discussed the following issues as they pertain to soils issues. A UICS Closure has been forwarded to DEM and the so-called “hot spot” on the King’s property has now been addressed fully. The Board was advised that DEM has filed a notice with the Corporation relative to the current management of the large piles of soils that are on the King’s property. Because of the high levels of arsenic it will be necessary to cover the piles as well as provide silt bales around the piles. AVCORR has insured that these actions are being taken and a formal response will be made to the

DEM notice to insure that the Corporation is in compliance with all DEM regulations. Also provided to the Board was an on-site reuse policy that Louis Berger Group has developed in an effort to give the contractor some guidance in how and where they can reuse some of the soils that are being taken from the main site. Also provided to the Board was a letter from Mayor Moreau to DEM director asking for some assistance in helping us work out a plan with RIRRC whereby up to 10,000 tons of soil could be sent to the landfill as cover as a much reduced rate vs. hazardous material. Essentially, there are three courses of action that AVCORR will follow in an effort to address the soil issues. One is to formally contact Amtrak to see if they will be amenable to us in increasing the elevation on the back side of the property to gain a security observation post as well as security vehicle parking. This would allow us to use some of the soil and cap it, and thereby mitigate the issues from both Amtrak's and DEM's point of view. Second plan would be to work with DEM and RIRRC to see if as much soil as possible could be taken to the landfill at reduced prices. To this extent AVCORR has hired Frederick Vincent, the former DEM Director, as a consultant to help us address this issue. A third option would be to keep pursuing other areas and other potential sites to bring the materials. For example, there is a site in Niagra Falls as well as Maine that could potentially take the materials. This would be the least attractive option since this would incur large costs. It was also noted that 2500 tons of soil have been sent out to RECTECH in Massachusetts under the agreement that was drafted and enclosed. This cost the Corporation approximately

\$37,000.00.

d. Gas Line Issue: Letters from the Warden, as well as the Fire Chief and the Mayor were presented to the Board relative to the Providence Gas Company and our attempt to have them allow us to have two separate gas mains. From a security and operations point of view this is the most advantageous to the Corporation.

e. OD/T Status: Public Asset Management is currently working with Warden Salisbury on finalizing some of the staffing costs so that we can incorporate this into a formal per diem request with the Marshal Services. It was also pointed out to the Board that we received an inquiry from the US Marshal Services asking whether or not AVCORR was quote “shopping beds” with BICE. There apparently is much competition now for the few beds that are available to the Federal agents.

f. Radio Communication System: A letter from Wayne Salisbury to the Chief relative to the radio communication system and the plan that the Corporation will use to insure proper communication will cost at the outset \$6,000.00. This is quite a savings from the original request by the Fire Department which was approximately a \$75,000.00 change order.

VII. New Business:

a. EDC Grant Award: Mr. Ventetuolo presented the Board with an email from the Arnold Group which indicated that the Corporation has

received a \$102,000.00 grant award from the Department of Labor & Training for training of correctional officers. In addition to this, the Arnold Group has been instrumental in helping us get Enterprise Zone status for our project which has been helpful in the permitting process area. It was noted that we have currently paid the Arnold Group approximately \$9,000.00 and in return we have received a value of over \$100,000.00.

b. Facility Vehicles: Mr. Ventetuolo discussed that through the FF & E some new vehicles were purchased to replace some of the older units. Two vehicles will be taken off line and the Board determined that they should be donated to the City. Specifically, the 1996 green F150 pick-up with approximately 135,000 miles will be sent to the Department of Public Works. A 2000 silver F-150 with approximately 145,000 miles will be sent to the Fire Department.

c. Expansion Positions: Mr. Ventetuolo and Mr. Salisbury discussed some of the new administrative positions that will be required for the expansion. Three positions in particular will be filled in the next couple of weeks so that we can bring them on to work and get ready for opening the new facility. These positions are the maintenance position, the Chief of Training and an administrative aid position.

d. Wall Street Journal Article: An article was presented to the Board relative to the recent refinancing.

e. Global Revenues: A copy of the check and revenues for the last month were presented to the Board for their review.

f. Bed Marketing: An email from the Department of Corrections in Vermont to the Warden relative to their current status with regard to

looking for beds outside of the state was review by the Board. The Wyatt and Cornell are still proceeding with the ability to bring in certain groups of Vermont inmates into the facility.

g. Girard Case: Mr. Orton discussed the Girard case. A motion by Augie O'Connor seconded by Maurice Breasseau was approved 5-0 to consent to dismiss any pending action without prejudice in the Girard case.

VIII. Other:

On a motion by Casey Andrade seconded by Maurice Brousseau the Board voted 5-0 to approve payments of requisitions #OPD-100, ORA-109, ORA-108, CIF-139, and COI-110.

IX. Adjournment: On a motion by Maurice Brousseau seconded by Casey Andrade the Board voted 5-0 to adjourn at 7:30 pm.